

Ellsworth Fund Ltd.

65 Madison Avenue Suite 550 • Morristown, New Jersey 07960-7308 • www.ellsworthfund.com

Third Quarter Update - June 30, 2007 (unaudited)

Financial Highlights

Market price 06/30/07	\$9.14
Net asset value (NAV) 06/30/07	\$10.24
Market discount to NAV	(10.74)%
12-Month income distribution	\$0.36
Yield on market price	3.94%
Ratio of expenses to avg. net assets	1.09%*
Ratio of net income to avg. net assets	3.62%*
Portfolio turnover	59.71%
Shares outstanding	12,659,098

* Annualized

Largest Investment Holdings as of 06/30/07

by underlying common stock	% of Net Assets
LSB Industries, Inc.	3.2
Celanese Corp.	3.1
Prudential Financial, Inc.	2.4
LSI Corp.	2.3
The Walt Disney Company	2.3
Bristow Group Inc.	2.2
Alleghany Corp.	2.0
Freeport-McMoRan Copper & Gold Inc.	2.0
MetLife, Inc.	2.0
New York Community Bancorp, Inc.	2.0

Major Industry Exposure as of 06/30/07

	% of Net Assets
Insurance	9.5
Energy	9.3
Pharmaceuticals	7.5
Semiconductors	6.6
Banking/Savings and Loan	6.5
Multi-Industry	6.5
Computer Hardware	5.3
Computer Software	4.9
Chemicals	4.6
Health Care	4.2

Performance through 06/30/07 with dividends reinvested

	Calendar YTD	1 Year	Annualized 5 Years	Annualized 10 Years	10 Year Volatility
Ellsworth market price	10.16%	23.86%	6.90%	8.51%	10.88%
Ellsworth net asset value	8.40	17.64	8.11	7.11	9.47
Merrill Lynch All Convertibles Index	6.96	15.45	11.15	8.26	12.41
S&P 500	6.96	20.59	10.69	7.12	15.81
Lehman Aggregate Bond Total Return Index	0.98	6.12	4.48	6.02	4.26

The above data is from Bloomberg L.P. pricing service, with the exception of the Lehman Aggregate Bond Total Return Index which is from Lipper, Inc. *Closed-End Fund Performance Analysis*, dated June 30, 2007.

Ellsworth's performance in the table above has not been adjusted for the fiscal 2004 rights offering. Performance data represent past results and do not reflect future performance.

Quarterly History of NAV and Market Price

Qtr. Ended	Net Asset Values			Market Prices		
	High	Low	Close	High	Low	Close
Sept. 06	\$9.63	\$9.13	\$9.60	\$8.21	\$7.62	\$8.20
Dec. 06	9.72	9.29	9.60	8.46	8.06	8.45
Mar. 07	9.89	9.53	9.73	8.68	8.39	8.58
Jun. 07	10.28	9.73	10.24	9.18	8.56	9.14

Total Fund Investments as of 06/30/07

	(000's)	% of Net Assets
Convertible Bonds and Notes	\$ 83,105	64.1
Corporate Bonds and Notes	1,500	1.2
Convertible Preferred Stocks	14,589	11.3
Mandatory Convertible Securities	24,513	18.9
Common Stock	2,140	1.6
Short-Term Securities	5,697	4.4
Other Assets	(1,957)	(1.5)
Net Assets	<u>\$129,587</u>	<u>100.0%</u>

Dividend Distributions (12 Months)

Record Date	Payment Date	Income	Capital Gains	Total
08/16/06	08/30/06	\$0.070	—	\$0.070
10/27/06	11/22/06	0.130	\$0.265	0.395
02/13/07	02/27/07	0.080	—	0.080
05/16/07	05/30/07	0.080	—	0.080
		<u>\$0.360</u>	<u>\$0.265</u>	<u>\$0.625</u>

The portfolio holdings and industry exposure are as of June 30, 2007 and subject to change without notice. Detailed portfolio information is available on our website (www.ellsworthfund.com). Contact us by e-mail at info@ellsworthfund.com or call us at (973) 631-1177.

Portfolio of Investments June 30, 2007 (unaudited)

<u>Principal Amount</u>		<u>Value (Note 1)</u>
CONVERTIBLE BONDS AND NOTES — 64.1%		
Aerospace and Defense — 3.6%		
\$1,500,000	AAR Corp. 1.75%, due 2026 cv. sr. notes (BB)	\$ 1,916,250
1,000,000	Alliant Techsystems Inc. 2.75%, due 2011 cv. sr. sub. notes (B1)	1,161,250
1,500,000	DRS Technologies, Inc. 2%, due 2026 cv. sr. notes (B1) (Acquired 01/30/06 - 05/16/07; Cost \$1,601,001) ^(1,2)	<u>1,650,000</u>
		<u>4,727,500</u>
Agriculture — 1.5%		
2,000,000	Merrill Lynch & Co., Inc. 1.5%, due 2012 cv. securities (Aa3) (exchangeable into Archer-Daniels-Midland Co. common stock) (Acquired 02/23/07; Cost \$2,000,000) ⁽²⁾	<u>1,897,700</u>
Banking/Savings and Loan — 2.7%		
1,000,000	PrivateBancorp, Inc. 3.625%, due 2027 cv. sr. notes (NR)	975,000
1,500,000	U.S. Bancorp floating rate, due 2035 cv. sr. deb. (Aa2)	1,511,250
1,000,000	U.S. Bancorp floating rate, due 2037 cv. sr. deb. (Aa2) (Acquired 02/01/07; Cost \$988,750) ⁽²⁾	<u>993,500</u>
		<u>3,479,750</u>
Computer Hardware — 5.3%		
1,000,000	C&D Technologies, Inc. 5.25%, due 2025 cv. sr. notes (NR)	975,000
2,000,000	Credit Suisse, New York Branch 13.62%, due 2007 equity-linked notes (Aa3) (exchangeable for Corning Inc. common stock)	2,210,200
1,000,000	EMC Corp. 1.75%, due 2011 cv. sr. notes (BBB+)	1,267,500
1,000,000	EMC Corp. 1.75%, due 2013 cv. sr. notes (BBB+)	1,278,750
1,000,000	Richardson Electronics, Ltd. 8%, due 2011 cv. sr. sub. notes (NR)	<u>1,126,250</u>
		<u>6,857,700</u>
Computer Software — 4.9%		
1,000,000	Blackboard Inc 3.25%, due 2027 cv. sr. notes (NR)	1,051,250
1,500,000	Epicor Software Corp. 2.375%, due 2027 sr. cv. notes (NR)	1,560,000
1,000,000	GSI Commerce, Inc. 2.5%, due 2027 cv. sr. notes (NR) (Acquired 06/27/07; Cost \$1,001,875) ⁽²⁾	998,750
1,500,000	Lehman Brothers Holdings Inc. 1%, due 2009 medium-term notes (A1) (performance linked to Microsoft Corp. common stock) ⁽¹⁾	1,568,400
1,000,000	Symantec Corp. 1%, due 2013 cv. sr. notes (NR)	<u>1,178,750</u>
		<u>6,357,150</u>
Consumer Goods — 2.5%		
1,500,000	Chattem, Inc. 1.625%, due 2014 cv. sr. notes (NR)	1,569,375
1,000,000	Church & Dwight Co., Inc. 5.25%, due 2033 cv. sr. deb. (Ba1)	<u>1,607,500</u>
		<u>3,176,875</u>
Energy — 5.5%		
1,000,000	Cameron International Corp. 2.50%, due 2026 cv. sr. notes (Baa1)	1,221,250
1,500,000	Covanta Holding Corp. 1%, due 2027 sr. cv. deb. (B1) ⁽¹⁾	1,550,625
1,500,000	Nabors Industries, Inc. 0.94%, due 2011 sr. exchangeable notes (A-) (exchangeable for Nabors Industries Ltd. common stock)	1,470,000
1,225,000	Oil States International, Inc. 2.375%, due 2025 contingent cv. sr. notes (NR)	1,799,219
1,250,000	Rentech, Inc. 4%, due 2013 cv. sr. notes (NR)	<u>1,134,375</u>
		<u>7,175,469</u>
Entertainment — 3.9%		
2,000,000	Gannett Co., Inc. floating rate, due 2037 cv. sr. notes (NR)	2,002,500
2,500,000	The Walt Disney Company 2.125%, due 2023 cv. sr. notes (A3)	<u>3,006,250</u>
		<u>5,008,750</u>

Portfolio of Investments June 30, 2007 (continued)

Principal Amount		Value (Note 1)
CONVERTIBLE BONDS AND NOTES — continued		
Financial Services — 1.6%		
\$2,000,000	Euronet Worldwide, Inc. 3.50%, due 2025 cv. deb. (B+) ⁽¹⁾	\$ 2,112,500
Health Care — 4.2%		
1,000,000	China Medical Technologies, Inc. 3.5%, due 2011 cv. sr. sub. notes (NR)	1,170,000
500,000	LifePoint Hospitals, Inc. 3.25, due 2025 cv. sr. sub. deb. (B2)	467,500
450,000	LifePoint Hospitals, Inc. 3.50, due 2014 cv. sr. sub. notes (NR)	459,000
1,000,000	Manor Care, Inc. 2.125%, due 2035 cv. sr. notes (Baa3)	1,506,250
1,000,000	Omnicare, Inc. 3.25%, due 2035 cv. sr. deb. (B2) ⁽¹⁾	841,250
1,000,000	St. Jude Medical, Inc. 1.22%, due 2008 cv. sr. deb. (BBB+) (Acquired 04/20/07; Cost \$1,005,938) ⁽²⁾	992,500
		<u>5,436,500</u>
Insurance — 2.4%		
3,000,000	Prudential Financial, Inc. floating rate, due 2036 cv. sr. notes (A3)	<u>3,107,400</u>
Multi-Industry — 4.9%		
2,000,000	Citigroup Funding Inc. 1%, due 2010 medium-term notes (Aa1) (exchangeable for the cash value of a basket of technology stocks) ⁽¹⁾	1,986,000
750,000	Diversa Corp. 5.5%, due 2027 cv. sr. notes (NR) (exchangeable for Verenum Corp. common stock) (Acquired 03/23/07; Cost \$750,000) ⁽²⁾	707,813
1,125,000	FTI Consulting, Inc. 3.75%, due 2012 cv. sr. sub. notes (B1)	1,591,875
2,000,000	LSB Industries, Inc. 5.5%, due 2012 cv. sr. sub. deb. (NR) (Acquired 06/28/07; Cost \$2,000,000) ⁽²⁾	2,020,000
		<u>6,305,688</u>
Pharmaceuticals — 6.1%		
2,500,000	Bristol-Myers Squibb Co. floating rate, due 2023 cv. sr. deb. (A2)	2,543,750
1,625,000	Mylan Laboratories Inc. 1.25%, due 2012 sr. cv. notes (BBB-)	1,576,250
1,500,000	Teva Pharmaceutical Finance Co. B.V. 1.75%, due 2026 cv. sr. deb. (Baa2) (exchangeable for Teva Pharmaceutical Industries Ltd. ADR)	1,501,875
2,000,000	Wyeth floating rate, due 2024 cv. sr. deb. (A3)	2,272,400
		<u>7,894,275</u>
Real Estate — 2.5%		
1,000,000	ProLogis 2.25%, due 2037 cv. sr. notes (BBB+) (Acquired 03/20/07 - 04/16/07; Cost \$982,038) ⁽²⁾	947,500
1,000,000	United Dominion Realty Trust, Inc. 3.625%, due 2011 cv. sr. notes (NR)	951,250
1,500,000	Vornado Realty Trust 2.85%, due 2027 cv. sr. deb. (Baa2)	1,398,750
		<u>3,297,500</u>
Retail — 1.8%		
1,000,000	Amazon.com, Inc. 4.75%, due 2009 cv. sub. notes (Ba3)	1,023,750
1,500,000	Charming Shoppes, Inc. 1.125%, due 2014 sr. cv notes (BB-) (Acquired 05/02/07 - 05/03/07; Cost \$1,491,125) ⁽²⁾	1,351,875
		<u>2,375,625</u>
Semiconductors — 6.6%		
2,000,000	Agere Systems Inc. 6.5%, due 2009 cv. sub. notes (B1) (exchangeable for LSI Corp.)	2,042,500
1,500,000	Cypress Semiconductor Corp. 1%, due 2009 cv. sr. notes (B-)	1,665,000
2,000,000	Fairchild Semiconductor Corp. 5%, due 2008 cv. sr. sub. notes (B) (exchangeable into Fairchild Semiconductor International, Inc. common stock) ...	1,990,000
2,000,000	Intel Corp. 2.95%, due 2035 jr. sub. cv. deb. (A-) ⁽¹⁾	1,917,500
1,000,000	LSI Corp. 4%, due 2010 cv. sub. notes (B+)	973,750
		<u>8,588,750</u>

Portfolio of Investments June 30, 2007 (continued)

Principal Amount		Value (Note 1)
CONVERTIBLE BONDS AND NOTES — continued		
Telecommunications — 2.6%		
\$1,000,000	Anixter International, Inc. 1%, due 2013 sr. cv. notes (BB-)	\$ 1,291,250
1,000,000	Equinix, Inc. 2.5%, due 2012 cv. sub. notes (NR)	1,045,000
1,000,000	SAVVIS, Inc. 3%, due 2012 cv. sr. notes (NR)	<u>1,020,000</u>
		<u>3,356,250</u>
Transportation — 1.5%		
2,000,000	ExpressJet Holdings, Inc. 4.25%, due 2023 cv. notes (NR)	<u>1,950,000</u>
	TOTAL CONVERTIBLE BONDS AND NOTES	<u>\$83,105,382</u>
CORPORATE BONDS AND NOTES — 1.2%		
Retail — 1.2%		
1,500,000	Amerivon Holdings LLC 4%, due 2010 units with corporate note and warrants attached (NR) (Acquired 06/01/07; Cost \$1,500,000) ⁽²⁾	<u>1,500,000</u>
Shares		
CONVERTIBLE PREFERRED STOCKS — 11.3%		
Aerospace and Defense — 0.4%		
40,000	Ionatron, Inc. 6.5% Series A redeemable cv. pfd. (NR) (Acquired 10/27/05; Cost \$1,000,000) ⁽²⁾	<u>460,000</u>
Banking/Savings and Loan — 3.8%		
54,178	New York Community Bancorp, Inc. 6% BONUSSES units (Baa1)	2,591,876
20,000	Sovereign Capital Trust IV 4.375% PIERS (Baa1) (exchangeable for Sovereign Bancorp, Inc. common stock) ⁽¹⁾	932,500
25,000	Washington Mutual Capital Trust 5.375% PIERS units (BBB) (exchangeable for Washington Mutual, Inc. common stock)	<u>1,399,750</u>
		<u>4,924,126</u>
Chemicals — 3.1%		
80,000	Celanese Corp. 4.25% cv. perpetual pfd. (NR)	<u>4,012,800</u>
Energy — 1.6%		
20,000	Chesapeake Energy Corp. 4.5% cum. cv. pfd. (B+)	<u>2,010,000</u>
Insurance — 1.9%		
75,000	Citigroup Funding Inc. variable rate exch. notes (Aa1) (exchangeable for Genworth Financial, Inc. common stock)	<u>2,406,750</u>
Telecommunications — 0.6%		
100	Medis Technologies Ltd 7.25% Series A cum. cv. perpetual pfd. (NR)	<u>775,279</u>
	TOTAL CONVERTIBLE PREFERRED STOCKS	<u>\$14,588,955</u>

Portfolio of Investments June 30, 2007 (continued)

Shares		Value (Note 1)
	MANDATORY CONVERTIBLE SECURITIES — 18.9% ⁽³⁾	
	Chemicals — 1.5%	
40,000	Huntsman Corp. 5% mandatory cv. pfd., due 02/16/08 (NR)	\$ 1,960,000
	Consumer Goods — 1.3%	
1,500	The Stanley Works floating rate equity units, due 05/17/12 (A2)	1,665,570
	Energy — 2.2%	
40,000	Bristow Group Inc. 5.5% mandatory cv. pfd., due 09/15/09 (B)	2,552,000
1,000	Chesapeake Energy Corp. 6.25% mandatory cv. pfd., due 06/15/09 (B+)	287,250
		<u>2,839,250</u>
	Finance — 1.0%	
25,500	Morgan Stanley, Inc. 5.875% mandatorily exchangeable securities, due 10/15/08 (Aa3) (exchangeable for Nuveen Investments, Inc. common stock)	1,348,440
	Financial Services — 1.5%	
70,000	E*TRADE Financial Corp. 6.125% equity units, due 11/18/08 (Ba3)	1,954,400
	Foods — 0.8%	
40,000	Lehman Brothers Holdings Inc. 6.25% PIES, due 10/15/07 (A1) (exchangeable for General Mills, Inc. common stock)	1,082,400
	Pharmaceuticals — 1.4%	
42,008	NATIXIS Financial Products Inc. 8.1% mandatory trigger exchangeable notes, due 12/05/07 (NR) (exchangeable for Sepracor Inc. common stock) (Acquired 05/23/07; Cost \$2,000,000) ⁽²⁾	1,769,146
	Insurance — 5.2%	
7,000	Alleghany Corp. 5.75% mandatory cv. pfd., due 06/15/09 (BBB-)	2,632,000
80,000	MetLife, Inc. 6.375% common equity units, due 08/15/08 (BBB+)	2,588,000
52,500	XL Capital, Ltd. 7% equity security units, due 02/15/09 (A3)	1,542,450
		<u>6,762,450</u>
	Minerals and Mining — 3.1%	
20,000	Freeport-McMoRan Copper & Gold Inc. 6.75% mandatory cv. pfd., due 05/01/10 (B+)	2,570,000
20,000	Vale Capital Ltd. 5.5% mandatorily convertible notes, due 06/15/10 (NR) (exchangeable for ADSs representing Companhia Vale Do Rio Doce common stock)	978,200
10,000	Vale Capital Ltd. 5.5% mandatorily convertible notes, due 06/15/10 (NR) (exchangeable for ADSs representing Companhia Vale Do Rio Doce Preference A Shares)	492,000
		<u>4,040,200</u>
	Telecommunications — 0.8%	
14,000	Credit Suisse Securities (USA), Inc. 5.5% SAILS, due 11/15/08 (Aa1) (exchangeable for Equinix, Inc. common stock)	1,090,880
	TOTAL MANDATORY CONVERTIBLE SECURITIES ⁽³⁾	<u>\$24,512,736</u>

Portfolio of Investments June 30, 2007 (continued)

Shares		Value (Note 1)
	COMMON STOCKS — 1.6%	
	Multi-Industry — 1.6%	
100,000	LSB Industries, Inc. ⁽⁴⁾	\$ 2,140,000
Principal Amount	SHORT-TERM SECURITIES — 4.4%	
	Commercial Paper — 4.4%	
\$5,700,000	American Express Credit Corp. 5.26%, due 07/02/07 (P1)	5,696,669
	Total Convertible Bonds and Notes — 64.1%	\$ 83,105,382
	Total Corporate Bonds and Notes — 1.2%	1,500,000
	Total Convertible Preferred Stocks — 11.3%	14,588,955
	Total Mandatory Convertible Securities — 18.9%	24,512,736
	Total Common Stocks — 1.6%	2,140,000
	Total Short-Term Securities — 4.4%	5,696,669
	Total Investments — 101.5%	131,543,742
	Other assets and liabilities, net — (1.5%)	(1,957,106)
	Total Net Assets — 100.0%	<u>\$129,586,636</u>

(1) Contingent payment debt instrument which accrues contingent interest. See Note 2.

(2) Security not registered under the Securities Act of 1933, as amended (i.e., the security was purchased in a Rule 144A or a Reg D transaction). The security may be resold only pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The Fund generally has no rights to demand registration of these securities. The aggregate market value of these securities at June 30, 2007 was \$15,288,784 which represented 11.8% of the Fund's net assets.

(3) These securities are required to be converted on the dates listed; they generally may be converted prior to these dates at the option of the holder.

(4) Non-income producing security.

ADR	American Depositary Receipts.
ADS	American Depositary Shares.
BONUSES	Bifurcated Option Note Unit Securities.
PIES	Premium Income Exchangeable Securities.
PIERS	Preferred Income Equity Redeemable Securities.
SAILS	Shared Appreciation Income Linked Securities.

Ratings in parentheses by Moody's Investors Service, Inc. or Standard & Poor's. NR is used whenever a rating is unavailable.

Notes to Financial Statements (unaudited)

Ellsworth Fund Ltd. (established in 1986) (the “Fund”), is registered under the Investment Company Act of 1940 as a diversified, closed-end management investment company.

Note 1. Security Valuation — Investments in securities traded on a national securities exchange are valued at market using the last reported sales price as of the close of regular trading. Listed securities for which no sales were reported are valued at the mean between closing reported bid and asked prices as of the close of regular trading. Unlisted securities traded in the over-the-counter market are valued using an evaluated quote provided by an independent pricing service. The independent pricing service derives an evaluated quote by obtaining dealer quotes, analyzing the listed markets, reviewing trade execution data and employing sensitivity analysis. Evaluated quotes may also reflect appropriate factors such as individual characteristics of the issue, communications with broker-dealers, and other market data. Securities for which quotations are not readily available, restricted securities and other assets are valued at fair value as determined in good faith by management pursuant to procedures approved by the Board of Trustees. Short-term debt securities with original maturities of 60 days or less are valued at amortized cost.

Note 2. Securities Transactions and Related Investment Income — Security transactions are accounted for on the trade date (date the order to buy or sell is executed) with gain or loss on the sale of securities being determined based upon identified cost. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis, including accretion of discounts and amortization of non-equity premium. For certain securities, known as “contingent payment debt instruments,” Federal tax regulations require the Fund to record non-cash, “contingent” interest income in addition to interest income actually received.

At June 30, 2007 unrealized appreciation (depreciation) of investment securities on a tax basis were as follows:

Unrealized appreciation	\$ 12,541,013
Unrealized depreciation	<u>(3,203,093)</u>
Net unrealized appreciation	9,337,920
Cost for federal income tax purposes	\$122,205,821